GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:919
ANSWERED ON:09.03.2005
MULTITUDE OF TAXES HAMPERING TRANSPORT SECTOR
Adhalrao Patil Shri Shivaji;Bishnoi Shri Kuldeep;Choudhary Smt. Anuradha;Khan Shri Mohammad Tahir;Kushwaha Shri Narendra Kumar;Munshiram Shri ;Shiwankar Shri Maha Deo Rao

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government is aware that multitude of taxes, viz. Road Tax, Cess, Toll Tax, Service Tax and TDS are hampering the growth of the transport sector ;

(b) whether the Government has taken any steps to streamline the taxation system for the transport sector;

(c) if so, the details thereof;

(d) the fresh steps taken by the Government for simplification of tax regime in transport sector besides changes in the legal framework governing the road transport sector;

(e) whether the Confederation of Indian Industries has requested the Government to formulate an integrated transport policy in order to secure maximum capacity at low cost;

(f) if so, the reaction of the Union Government thereto;

(g) whether any scheme for private sector participation in the transport sector has been formulated by the Government;

(h) if so, the details in this regard; and

(i) the time by when a final decision in this regard is likely to be taken?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI K.H. MUNIYAPPA)

(a) Levies/recoveries like Road Tax, Cess, Toll, Service Tax and TDS are levied and collected by different authorities in Central/State Governments and have different objectives. The growth of road transport has outpaced that of other modes in the country in the post independence period.

(b)to(d)Road transport falls under the purview of the State Government and any mechanism to streamline the taxes requires consensus among the States. The issue of rationalisation of road tax had been discussed in the earlier meetings of Transport Development Council but has not made any progress due to lack of unanimity among the States.

(e)and(f)Planning Commission has formulated an Integrated Transport Policy in the year 2001.

(g)to (i) Private operators play a dominant role in provision of both freight and passenger services in the road transport sector.